

To: State of California Department of Social Services

Attention: Deborah Scherer, Analyst QA Monitoring Unit, CDSS

Subject: Mendocino County Adult Services In-Home Supportive Services proposal is for use of funding for Fraud Investigations and Program Integrity efforts (fraud prevention) related to the In-Home Supportive Services Program pursuant to the California State Budget for Fiscal Year July 1, 2010 through June 30, 2011.

Background and Proposal:

Mendocino County Health and Human Services Agency (HHSA) Social Services Branch has its own dedicated Special Investigations Unit (SIU) that serves all divisions of the Branch. This includes CalWorks, Food Stamps, General Assistance, Children's Services, and Adult Services [including In-Home Supportive Services (IHSS)]. Currently there is no dedicated investigator assigned to IHSS investigations. We are seeking these funds to provide staffing for a dedicated IHSS Fraud Investigator, and would be able to reassign current staff to this activity upon approval of funds from the State. There are current investigative activities continuing from the previous fiscal year.

The funds from the FY 2010-2011 Budget allocation to Mendocino County are for purposes to continue the Fraud Investigations and Program Integrity Efforts Related to the In-Home Supportive Services Program. The allocation will be applied to existing staff that will be specifically re-dedicated to the prevention, investigation and present cases to our District Attorney for prosecution of IHSS Fraud. Positions funded for IHSS anti-fraud activities for FY 2010/2011 include:

- 1 Full Time Equivalent (FTE) IHSS Fraud Investigator
- 0.5 FTE Social Worker
- .10 FTE Office Assistant III
- .10 FTE Fraud Investigator Supervisor (Supervisory Component)
- .05 FTE Social Worker Supervisor (Supervisory Component)

We will be able to track and complete all necessary reports as required by the state, for the August 1, 2011 activity report required at the end of the fiscal year.

The IHSS Fraud Investigator will take the lead in:

- Fraud investigations
- Fraud-prevention activities
- Collaboration and investigation coordination (as needed) with our District Attorney's Office, California Department of Social Services, and the California Department of Health Care Services (DHCS) as well as other partner agencies
- Assist with collection of data, tracking of referrals, over/under payments referrals and completion of required reports (Starting August 1, 2011)
- Assist with Quality Assurance (QA) home visits, and unannounced drop-in visits where fraud is suspected

- Participate in provider orientations anti-fraud component
- Assist in collaborating and training IHSS social work staff in fraud detection
- Review, analyze and complete actions related to criminal background checks for provider enrollment
- Random review of timesheet fingerprints (when instituted)
- Complete related anti-fraud activities
 - Such as processing rap sheets, rap backs, and appeals
- Attend available anti-fraud training offered to investigators

The Social Worker:

- Conducts QA home visits
- Drop-in visits as needed in fraud investigations
- Fraud prevention activities
- Coordination and collaboration with cases involving Adult Protective Services
- Processes all overpayments and underpayments uncovered during a fraud investigation
- This position is also utilized as an Expert Witness in this area when fraud cases are being prosecuted in court, and at fair hearings
- Assists in collecting statistics of actions and outcomes
- Attends available Anti-Fraud trainings

The Social Worker Supervisor:

- Reviews Social Worker anti-fraud activities
- Reviews Casework
- Reviews DOJ/CORI information
- Provides mentoring and oversight to the Social Worker
- Coordinates activities between Social Worker and Investigator
- Utilizes anti-fraud activities for Social Worker trainings
- Supervises anti-fraud activities
- Attend available anti-fraud trainings

Welfare Investigator Supervisor:

- Supervises Welfare Fraud Investigator II
- Reviews casework
- May Conduct or Assist in conducting staff Anti-Fraud trainings
- Coordinate/Collaborates with District Attorney
- Coordinate/Collaborates with State DCHS Investigators as needed
- Attends available Anti-Fraud Trainings offered for Investigators

SIU Office Assistant III:

- Logs in all IHSS Fraud Referrals in on a dedicated IHSS spreadsheet
- Prepares case files for Investigator
- Assigns Case Number to referred cases
- Updates and maintains spreadsheet of all IHSS Fraud Referrals as to all activity involving Fraud Cases (e.g. closures, prosecutions, fraud amount (\$), etc.)
- Communicates with Anti-Fraud team and Sr. Program Specialist on referral outcome statistics

The Mendocino County District Attorney's Office has an Elder Abuse Prosecution Unit and it is understood that continued, coordinated collaboration between the IHSS Anti-Fraud Team and the District Attorney's Office, will be essential as IHSS fraud situations may also contain elements of elder abuse and neglect (which may also result in additional prosecution).

Plan Components:

IHSS Fraud Referrals, Investigations, and Collaboration:

A method of review and assignment of suspected IHSS fraud cases to investigators flows through a single point of contact at the Mendocino County Health and Human Services Agency Social Services Branch SIU. The dedicated IHSS Investigator would receive and investigate all suspected IHSS fraud referrals. This Investigator would participate in the screening and assignment of IHSS fraud referrals, coordinate investigations, collect evidence and collaborate as needed with the District Attorney's Office, the California Department of Social Services (CDSS) Investigators, and the California Department of Health Care Services [DHCS (MediCal)] Investigators. All findings would be collaborated, on required cases, with DHCS, CDSS, and with the local District Attorney for presentation and prosecution locally. A process will be established for regular contacts with In-Home Supportive Services, the IHSS Public Authority, Adult Protective Services, IHSS Quality Assurance, and other partner programs, as well as regular contact and activities with the District Attorney's Office to coordinate joint investigations, evidence collection, documentation, follow-up and prosecution of fraud referrals. Other duties include anti-fraud training, as part of IHSS provider orientation, community outreach, and anti-fraud training for consumers and their family members, support and consultation for County staff, data collection, and reports to management and the State. The Social Worker would be concurrently involved with investigating each referral for any evidence of abuse incurred as a result of fraud. They would coordinate findings of abuse with substantiation to our Elder Abuse Division of our District Attorney's Office for review and prosecution.

Overpayments/Underpayments:

In Mendocino County, all IHSS and QA staff receives training and have guidelines to help uncover potential overpayments and underpayments. Anyone discovering potential fraud is required to make a referral and will assist in providing the necessary information for computation of an overpayment, or taking appropriate action to remedy an underpayment. Currently staff is encouraged to contact SIU to discuss the merits of a potential fraud referral. Our dedicated Anti-Fraud Social Worker would be utilized to process overpayments and assist our SIU as needed on this process.

Reporting and Tracking of Referrals and Outcomes:

All IHSS fraud referrals flow through a single line of communication. Fraud referrals are made by IHSS Social Worker's or Social Worker Assistants through their Supervisor. The supervisor sends all information through our Quality Assurance (QA) Specialist, who collects and makes the referral to the State DHCS (MC 609). The QA Specialist forwards all referral information to SIU Clerical Office Assistant III where it is logged, reviewed and cases are assigned by the SIU Supervisor. Any referral outcome is collected, and referred back through the same line of contacts, and logged on a central

list. No one is allowed to bypass the chain of reporting responsibilities. The existing HHSA Adult and Aging Services Division Policy # IHSS 09-053, "IHSS Special Investigations Unit Referral Procedure for Suspected Fraud," covers this process. This referral system includes tracking of fraud referrals to Department of Health Care Services.

Vital statistics of all investigations are collected and logged on the IHSS Fraud Referral spreadsheet by the SIU clerical person. The current OAIH position will be used as a central resource for all IHSS Fraud referral and outcome activity data. This employee would collaborate in concert with the IHSS Investigator and IHSS QA Specialist to produce the required reports for the State of California, for August 1, 2011.

Equipment:

Mendocino County is proposing to add to its equipment a Video Camera and necessary software to assist in collecting, presenting, and archiving any evidence collected during an IHSS Fraud Investigation.

Currently we do not have any video equipment:

(See Budget Proposal)

Proposed Positions and Their Fully Loaded Costs (Salary and Benefits):

(See Budget Enclosure)

Enclosure B

MENDOCINO County is requesting participation in the Enhanced Anti-Fraud Program.
FY 2010-2011.

Board of Supervisor Approval

Approved on _____ PENDING APPROVAL _____, 2010, by the County
Board of Supervisors

Name of Approver: To Be Completed by Mendocino County Board Agenda

Signature _____ PENDING APPROVAL _____

Name of County District Attorney Representative: Meridith Lintott D.A.

County District Attorney Representative Telephone #: 707-463-4211

Email address: lintottm@co.mendocino.ca.us

Name of County Welfare Department Representative: John Martire Chief of SIU

County Welfare Department Representative Telephone # 707-467-5856

Email Address: martirej@co.mendocino.ca.us

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement
as of the day and year first above written.**

COUNTY OF MENDOCINO

By: _____
Carre Brown, Chair
and/or J. David Colfax, Vice Chair
Board of Supervisors

ATTEST:
CARMEL J. ANGELO,
Clerk of said Board

By: _____
Deputy

**HEALTH AND HUMAN SERVICES
AGENCY**

By: _____
Stacey Cryer, HHSA Director or
Susan Era, HHSA Interim Assistant
Director

Date: _____

APPROVED AS TO FORM:

JEANINE B. NADEL, County Counsel

By: _____

Date: _____

INSURANCE REQUIREMENTS:

KRISTIN McMENOMEY, Director
General Services Agency

By: _____

RISK MANAGER

Date: _____

By signing above, signatory warrants
and represents that he/she executed
this Agreement in his/her authorized
capacity and that by his/her signature
on this Agreement, he/she or the entity
upon behalf of which he/she acted,
executed this Agreement

COVERSHEET FOR ENCLOSURE D STATISTICS

Section 1

Overpayments Identified by County Quality Assurance (QA)

In Mendocino County we consider all employees as overseers of quality in an IHSS case. Our social workers and social worker assistants have been trained on how to recognize possible fraud.

In this section, the numbers of identified overpayments are a collective effort of all IHSS staff.

Section 2

Underpayments

In past years Mendocino County has had a minute amount of underpayments. Their most likely cause is from being short-staffed and being unable to transmit any necessary corrections into Case Management Information Payroll System (CMIPS) for proper time keeping.

When underpayments were discovered, we simply issued the correct supplemental time sheets and made the supplemental payments.

Section 3

Fraud Referrals and Outcomes

Mendocino County has been diligent in making the referrals to the State; to date we have not received any outcome responses from them. Following the State recommended threshold.

Recovery of overpayments are reported on a CMIPS "Overpayment Recovery Report" that appears when the last payment zeros out the recovery. Reports are sporadic and do not appear on a regular basis.

Section 4

DA Utilization

Cases are investigated by our internal Special Investigations Unit (SIU); referrals are made to the DA for consideration of prosecution. An observant staff member made a referral that ended in prosecution and conviction in 2009 with an outcome of a conviction. Two new pending prosecutions (2010) are currently at the District Attorneys office awaiting court action.

Enclosure D: Narrative

Mendocino County has all of its fraud referrals investigated by a dedicated Special Investigations Unit (SIU) that is part of our Department of Health and Human Services. Cases which meet the county fraud threshold are presented to the Mendocino County District Attorney for legal action.

IHSS activity of fraud referrals doubled during the period from 2/1/10 through 6/30/10, which was the duration of Anti-Fraud Funding for Mendocino County. The presence of a dedicated SIU officer was the major contributing factor.

It should be noted here, that 13 of the fraud referrals were due to the State Hospital Stay report. Communication with the discharge planners at each of our three hospitals, made completion of the investigation flow smoothly. The gathering of data occurred in a timely manner. Several overpayments were identified during that investigation. The other 11 referrals from line staff are also reflected here, albeit more than previous recorded yearly activity. The predominance of the referrals turned out to be provider suspected fraud, with a smaller number of recipients allegedly committing fraud. There are 2 new cases at the DA's office awaiting court activity that came from the brief period we had the program funding. One of those referrals was tied to an APS issue of alleged fiduciary abuse and is pending for prosecution at the DA's office. The other case involved, the other involved allegations of the provider forging time card signatures while the client was incarcerated for almost three months. Other co-investigations with the Social Worker and SIU did not reveal any other APS issues.

No Underpayments were identified for the Fiscal year of 2009-2010.

There was a handful for cases meeting the state threshold for referral reported to California Department of Healthcare Services Investigations Unit. We have not heard back from them. The bulk of our cases are for small amounts, it is recognized that by having anti-fraud awareness training our staff is able to screen suspected activities early and make referrals. We believe in a very proactive approach to preventing fraud, and having a strong presence during provider orientation has been effective in reducing fraudulent activity.

Enclosure D

County: MENDOCINO COUNTY

Overpayments identified	05/06	06/07	07/08	08/09	09/10
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Total Amount per Fiscal Year:		\$1,465	\$4,697	\$2,591	\$13,056	\$4,141
Number of Instances:		3	7	5	5	24
Breakdown of Causes	Provider:	3	5	5	4	22
	Recipient:	0	2	0	1	2
	County Error:					
	Unknown:					
	Other:					

Underpayments identified		05/06	06/07	07/08	08/09	09/10
Total Amount per Fiscal Year:		N/T	N/T	N/T	N/T	0
Number of Instances:						0
Breakdown of Causes	Provider:					
	Recipient:					
	County Error:					
	Unknown:					
	Other:					

Fraud Referrals/Outcomes		05/06	06/07	07/08	08/09	09/10
Number of referrals to DHCS:		11	18	13	9	4
Number handled locally:					1	2
Number of convictions:					1	PEND
Amount of funds involved in the convictions:					\$500	PEND

Enclosure D

Page Two

Fraud Referrals/Outcomes

Amount of funds recovered:		N/A	N/A	N/A	\$1,393	\$566
Amount of funds pending recovery:					\$500	\$4,141
Basis for the Conviction:					Forgery	Pending
Individuals Responsible	Recipient:					
	Provider:				1	2
	County Staff:					
	Other:					
	Unknown:					

Utilization of County DA for Fraud		05/06	06/07	07/08	08/09	09/10
Number of referrals to DA					1	2
Outcomes	Rejected:					
	Convicted:				1	
	Acquitted:					
	Pending:					2

The proposed budget for Mendocino County Anti-Fraud Funding FY 10/11 has been modified from the previous year. Additional personnel included in a full year budget include:

- Welfare Investigator Supervisor (10% FTE) for supervision and oversight of the Welfare Investigator II. This person will also act as liaison to the Mendocino County District Attorney, and coordinate/collaborate with other state and/or outside agency during any joint investigations that might occur
- Social Worker Supervisor (5% FTE) for supervision and oversight of the activities of the Social Worker, including training and case review and mentoring as needed
- Welfare Investigator II (100%FTE) as in the previous budget year, having a dedicated investigator allows full access to staff in all three offices, orientation and opportunity for outreach into the community. Also, having the expertise of law enforcement available to review and interpret DOJ/CORI information as well as interact with other law enforcement officials as needed
- Social Worker (50%) FTE, this incumbent is also part of the Quality Assurance Unit and is trained in program integrity and participates in care review and home visit activities. They will assist during orientations, and also co-investigate fraud cases with the SIU to check for any elder abuse that may arise from potential fraudulent provider neglect. They will also process overpayments on all fraud cases
- Office Assistant III (10% FTE): This person is a vital link to SIU, in that they will be the point through which all referral and outcome activity will flow. They log and collect all referral information on a single spreadsheet dedicated to IHSS Fraud Referrals only and record other vital case statistics, such as closure, DA referrals and overpayment/underpayment amounts

We have included in this years proposal to purchase video equipment that would assist out SIU in collection and preservation of evidence in a fraud investigation. Appropriate software for the unit is also requested.

Enclosure E

Mendocino County Budget Justification of County's Fraud Funding Plan for FY 2010-11

Budget Section	Total
A. Personnel Costs (includes employee benefits)	\$172,794
B. Operating Expenses	\$11,961
C. Equipment Expenses	\$8,270
D. Travel/Per Diem and Training	\$12,885
E. Subcontracts and Consultants	\$0
F. Other Costs	\$3,520
G. Indirect Expenses	\$0
Total Expenses	\$209,430

A. Personnel Costs (including employee benefits)	Total Budget
Title: WELFARE INVESTIGATOR SUPERVISOR (10% FTE) Salary Calculation: (BASE SALARY \$82,409 X 10% = \$8,241) + (LAW ENFORCEMENT BENEFITS \$8,241 X .6853 = \$5,648) = Duties Description: The Welfare Investigator Supervision will provide Supervision and Oversight of all of the Welfare Investigator II Anti-Fraud Activities. Also, they will participate in any IHSS/Welfare Anti-Fraud Training.	\$13,889
Title: WELFARE INVESTIGATOR II (100% FTE) Salary Calculation: (BASE SALARY \$62,711 X 100% = \$62,711) + (LAW ENFORCEMENT BENEFITS \$62,711 X .6853 = \$42,976) = Duties Description: The dedicated IHSS Fraud Investigator will take the lead in: •Fraud investigations •Fraud-prevention activities •Partnership collaboration and investigation coordination (as needed) with our District Attorney's Office, California Department of Social Services, and the California Department of Health Care Services (DHCS) as well as other partner agencies •Assist with collection of data, tracking of referrals, over/under payments referrals and completion of required reports (Starting August 1, 2010); •Assisting with Quality Assurance (QA) home visits, and unannounced drop-in visits where fraud is suspected; •Participate in provider orientations anti-fraud component; •Assist in collaborating and training IHSS social work staff in fraud detection; •Review, analyze and complete actions related to criminal background checks for provider enrollment; •Random review of timesheet fingerprints (when instituted); •Complete related anti-fraud activities such as processing rap sheets, rap backs, and appeal Participate in attending Anti-Fraud Trainings	\$105,687
Title: SOCIAL WORKER SUPERVISOR (5% FTE) Salary Calculation: (BASE SALARY \$64,605 X 5% = \$3,730) + (BENEFITS @ .55 X 3,730 = \$ 2,052) = \$5,782 Duties Description: <ul style="list-style-type: none"> ▪ Oversee Anti-Fraud Activities of the Social Worker • Supervise and oversee activities of the Social Worker • Review Casework • Review Overpayments for proposed recovery activities • Attend available Anti-Fraud Trainings 	\$5,782

Title: SOCIAL WORKER (50% FTE) Salary Calculation: (BASE SALARY \$ 53,124 X 50% = \$26,562) + (BENEFITS @ .55 X \$26,562 = \$14,439) = Duties Description: The Social Worker: •Conducts QA home visits. •Drop-in visits as needed in fraud investigations Calculate overpayments •Fraud prevention activities including provider orientations •Coordination and collaboration with cases involving Adult Protective Services. Investigating all fraud referrals for potential abuse and neglect. Attend anti-fraud trainings	\$41,001
Title: INVESTIGATIONS UNIT OFFICE ASSISTANT III (10% FTE) Salary Calculation: (BASE SALARY \$39,583 X 10% = \$3,958) + (BENEFITS @ .55 X \$3,958 = \$2,177) = Duties Description: <ul style="list-style-type: none"> • Logs in all SIU referrals • Keeps all investigative activities and case dispositions on log for reports • Reports regularly to Investigators and QA Analyst with log activity 	\$6,135
Total Personnel Costs:	\$172,794
B. Operating Expenses	Total Budget
Title: Operating Expenses for Anti-Fraud Team Description: Includes Cubicle office space and desk space, utilities and telephone budget	
Total Operating Expenses:	\$13,300

Enclosure E

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C. Equipment Expenses	Total Budget
Title: PURCHASE OF VIDEO CAMERA, ACCESSORIES AND SOFTWARE Description: MENDOCINO COUNTY LACKS A VIDEO CAMERA FOR GATHERING AND CATALOGING OF EVIDENCE	\$ 1,750
Title: Office Equipment for IHSS Anti-Fraud Team Description: Includes Rents and Leases of Computer and Telephones for work stations Leases for copy equipment and communications between office and the Investigator in the field.	\$6,520
Total Equipment Expenses:	\$8,270
D. Travel/Per Diem and Training	
Title: Travel Expenses for Anti-Fraud Unit Description: Includes county vehicle assigned to unit, rental, or personal vehicle reimbursement (out of county), travel from office to office, per diem expenses during training, travel to/from training (classroom and field training), tuitions and materials for away trainings and continuing education, officers must also attend firearms qualifications to carry weapons	\$12,885

Total Travel/Per Diem and Training:	\$12,885
E. Subcontracts and Consultants	
Title: none	
	\$0
Total Subcontracts and Consultants:	\$0
F. Other Costs	
Title: Additional Costs for Anti-Fraud Team	
Description: Includes legal fees, professional services, posting of public and legal services as required by law budgeted by Mendocino County	\$3520
Total Other Costs:	\$3,520
G. Indirect Expenses	
Title: None	
	\$0
Total Indirect Expenses:	\$0

Summary of Effects of the Mendocino County Anti-Fraud Activity FY 2009-2010

Mendocino County proposed a short term spending plan that ran from February 1, 2010 through June 30, 2010 for anti-fraud activities. We included a minimal staffing approach, but the key emphasis was having a Full-Time Investigator dedicated to our three county-wide IHSS offices. The Social Worker was to assist the investigator in the office and in the field with IHSS program knowledge. Our Eligibility Worker III was to assist with overpayment computation; however, those duties fell to the Social Worker. This worked out, since the overpayment computations required IHSS program knowledge for completion.

The Welfare Investigator had several duties included in their assignment. The first challenge was to work on open cases, as well as act on new referrals. During this brief window of time, our Investigator was able to cleanup a backlog by closing an additional

21 IHSS Fraud referrals over and above the case referrals for FY 2009/2010. This is not reflected on enclosure D, that there was closure on several old cases. Of that group, 8 were submitted for overpayment collection. All cases with findings (although below threshold for prosecution) received letters from the investigator noting their “errors” and strong hints on how to avoid future problems. The investigator also participated in several provider orientations held in the different offices; this was part of our outreach approach to encourage providers to avoid errors. We had a high level of orientation activity as we were having all providers needing to complete the expanded application process required by the Department of Social Services. Having someone with law enforcement expertise and connections, made the interpretation of DOJ/CORI records flow smoothly. We felt that the IHSS staff responded in a very positive manner to having this level of investigative support. They were able to receive closure and feedback on current and old referrals (as much as 3 years old). This in turn gave fresh encouragement to the line staff to increase the rate of making new fraud referrals for investigation, rather than avoiding the process feeling that “nothing would come of their efforts”. This was possibly a contributing factor in the “spike” of referrals in FY 09/10. The Investigator that was assigned to IHSS also had a very positive sense of accomplishment, by being able to close several cases and inspire additional referrals that may not have been sent prior to the program.

This type of activity carries with it, we feel, an indirect positive consequence in the community. Even if by work of mouth from provider to provider, there is a message that Mendocino County will investigate and if necessary prosecute suspected fraud in the IHSS program.

Mendocino County IHSS Anti-Fraud Plan FY 09/10 Summary

Mendocino County Health and Human Services Agency (HHSA) Social Services Branch has its own dedicated Special Investigations Unit (SIU) that serves all divisions of the Branch. This includes CalWorks, Food Stamps, General Assistance, Children’s Services, and Adult Services [including In-Home Supportive Services (IHSS)]. Currently there is no dedicated investigator assigned to IHSS investigations. We secured funds to provide staffing for a dedicated IHSS Fraud Investigator, and would be able to reassign additional support staff to this endeavor within 60 days approval of funds from the State.

The funds from the FY2009/2010 Budget allocation to Mendocino County for purposes of the Fraud Investigations and Program Integrity Efforts Related to the In-Home Supportive Services Program will be applied to hiring staff specifically dedicated to the prevention, investigation and prosecution of IHSS Fraud. Positions funded for IHSS anti-fraud activities would be: one full-time IHSS Fraud Investigator; one quarter-time IHSS Social Worker; and, one quarter-time Eligibility Worker. Mendocino County secured nearly \$100,000.00 to run this program from 2/1/10-6-30/10. Although the program was funded for a 5 month period, we feel it was very effective in creating an environment of anti-fraud awareness among staff and the IHSS community.

The dedicated IHSS Fraud Investigator will take the lead in:

- Fraud investigations
- Fraud-prevention activities including orientations and DOJ/CORI reports
- Partnership collaboration and investigation coordination (as needed) with our District Attorney's Office, California Department of Social Services, and the California Department of Health Care Services (DHCS) as well as other partner agencies

The Eligibility Worker:

- Will assist in processing IHSS overpayments that are uncovered during fraud investigations

The Social Worker:

- Conducts QA home visits.
- Drop-in visits as needed in fraud investigations
- Fraud prevention activities including orientations
- Coordination and collaboration with cases involving Adult Protective Services.